

Message Text

CONFIDENTIAL

PAGE 01 STATE 107399

42

ORIGIN EA-14

INFO OCT-01 ISO-00 EB-11 FEA-02 CIAE-00 INR-10 NSAE-00

RSC-01 OMB-01 TRSE-00 COME-00 INT-08 STR-08 /056 R

DRAFTED BY EA/J:WPIEZ:FMC

APPROVED BY EA - MR. EDMOND

EB/FSE - MR. CREEKMORE

EA/J - MR. SHERMAN

DESIRED DISTRIBUTION

FEA - MR. PROCHNIK

----- 006798

R 222131Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 107399

E.O. 11652: GDS

TAGS: ENRG, JA

SUBJECT: MIZUNO CALL ON ASSISTANT SECRETARY INGERSOLL

REF: TOKYO 5977

1. SOHEI MIZUNO, PRESIDENT ARABIAN OIL COMPANY (AOC), AND YOSHIHISA OJIMA, AOC VICE PRESIDENT, CALLED ON ASSISTANT SECRETARY INGERSOLL AND DEPUTY ASSISTANT SECRETARY EDMOND ON MAY 21. CRUDE OIL PRICES WERE OF MAJOR INTEREST TO JAPANESE VISITORS. MIZUNO SAID WASHINGTON OFFICIALS BELIEVED CRUDE PRICES WOULD DEFINITELY DECLINE IN THE COMING MONTHS, BUT NO ONE IN JAPAN SHARED THAT VIEW. MIZUNO SAID AOC OBTAINS CRUDE FROM KUWAIT AND SAUDI ARABIA AND EXPECTED HIGHER PRICES. ALTHOUGH JAPAN HAD FOR SOME TIME CUT CONSUMPTION FIFTEEN PERCENT, NORMAL INCREASES IN CONSUMPTION WOULD RESULT IN LARGER QUANTITIES BEING NEEDED IN THE FUTURE. MIZUNO FELT THAT ALTHOUGH MAJOR, INTEGRATED COMPANIES CAN AVERAGE IN THE COSTS OF EQUITY AND PARTICIPATION CRUDE, NET RESULT OF CURRENT PRICE TREND WILL BE HIGHER PRICES FOR INDEPENDENTS, LIKE AOC. FYI: WE ASSUME MIZUNO REFERRING TO JAPANESE CLAIMS THAT THERE IS "TWO-TIER" CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 107399

PRICE SYSTEM BY WHICH INDEPENDENTS, UNLIKE MAJORS, ARE

LIMITED TO PURCHASING ONLY HIGH COST PARTICIPATION CRUDE.
END FYI.

2. WHEN ASKED ABOUT JAPANESE PETROLEUM INVENTORY SITUATION, MIZUNO SAID RESERVES NOW ABOUT EQUAL TO AMOUNTS ON HAND BEFORE OCTOBER CRISIS. FACILITIES FOR STORING LARGER AMOUNTS ARE NOT AVAILABLE. FURTHERMORE PRICES ARE EXPECTED TO RISE IN FUTURE AND CONSEQUENTLY IMPORTERS ARE NOT ANXIOUS TO SELL AT THIS TIME.

3. MIZUNO ASKED FOR OUR IMPRESSIONS OF THE WORK OF ENERGY COORDINATING GROUP. INGERSOLL RESPONDED BY ASKING HOW HE VIEWED ECG. MIZUNO SAID HE SUPPORTS ECG BUT FAVORS MORE BILATERAL CONTACTS BETWEEN US AND JAPANESE ENERGY INDUSTRY REPRESENTATIVES IN ADDITION TO GOVERNMENT TO GOVERNMENT CONTACTS. INGERSOLL POINTED OUT ANTI-TRUST CONSIDERATIONS INHIBIT US COMPANIES FROM DIRECT CONTACTS WITH FOREIGN COUNTERPARTS AS WELL AS EACH OTHER. MIZUNO CONCEDED THAT OTHER US OFFICIALS HAD MENTIONED THE SAME ANTI-TRUST PROBLEM, BUT GAVE PERSONAL OPINION THAT HIGHLY PUBLICIZED TALKS BETWEEN GOVERNMENT OFFICIALS WERE NOT AS USEFUL AS EXPERT LEVEL DISCUSSIONS.

4. MIZUNO SAID HE WOULD LIKE TO HAVE EXPERT LEVEL MEETINGS TO BRING OUT ALL THE FACTS OF THE GLOBAL ENERGY SITUATION QUIETLY AND EFFECTIVELY. EMBASSY WILL RECALL MOROZUMI SURFACED SIMILAR IDEA SOME MONTHS AGO. ALTHOUGH EMBASSY SHOULD NOT INITIATE DISCUSSIONS THIS SUBJECT, WE WOULD APPRECIATE RECEIVING ANY INDICATION THAT GOJ STILL INTERESTED IN IDEA AND WHETHER SUCH DISCUSSIONS BEING HELD WITH ANY EUROPEAN MAJORS. RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, PETROLEUM, VICE PRESIDENT, BUSINESS FIRMS, PRICES, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE107399
Document Source: CORE
Document Unique ID: 00
Drafter: WPIEZ:FMC
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740129-0286
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740525/aaaaawhx.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: TOKYO 5977
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUL 2002 by worrelsw>; APPROVED <03 MAR 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MIZUNO CALL ON ASSISTANT SECRETARY INGERSOLL
TAGS: ENRG, JA, ARABIAN OIL CO, (MIZUNO, SOHEI), (YOSHIHISA OJIMA), (INGERSOLL)
To: TOKYO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005